

Charity Registration No. 252271

Company Registration No. 00018573 (England and Wales)

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

OLD M[•]LL

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J C Whitby (Chairman) S Bland (Finance Director) H Cox (Vice Chair) J Dickinson M Davis M Logan G Parsons	(Appointed 24 April 2018)
Secretary	E Horn	
Charity number	252271	
Company number	00018573	
Registered office	Bishopbrook House Cathedral Avenue WELLS Somerset BA5 1FD	
Independent examiner	Tim Lerwill, FCA Old Mill Accountancy LLP Bishopbrook House Cathedral Avenue WELLS Somerset BA5 1FD	

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

CONTENTS

	Page
Chairman's report	1 - 2
Finance Director's report	3
Trustees' report	4 - 7
Independent examiner's report	8
Statement of financial activities	9
Summary income and expenditure account	10
Balance sheet	11 - 12
Notes to the accounts	13 - 26

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

I write my first report to the accounts as Chairman of the Society.

I find myself at the helm of a small, but important cog in a fast-changing dairy industry. As I write members are gearing up to face the uncertain changes of Brexit. The production of milk, in concert with currency, political and weather influences is manifestly a roller coaster ride of Keynesian economics.

The upcoming agriculture bill has the potential to be the biggest gamechanger since the farming and countryside reforms of the late 1940's.

Against this backdrop I am encouraged by the many members who have found specific niches for our wonderful Jersey milk. If the expansion of our breed in the USA is mirrored here, then the future bodes well for our high component's product and for those breeding stock to fulfil the demand.

One of the highlights of the year was the Societies AGM in August which we were honoured to hold at Her Majesty The Queen's Royal Farms Windsor; home of the Windsor herd of Jerseys: one of the oldest registered herds in the country. Over 100 members and their families were privileged to view the comfortable modern facilities framed in the Victorian splendour of Prince Consort Farm.

Later our second national show of recent times held as part of the Bath and West Show in October, built on the success of the previous year and was a great spectacle and advert for the Society and the Jersey Cow.

Again, expanding on work in the previous year, we are aware of continuing threats to the purity of the Jersey breed as genomic testing revealed spurious parentage amongst some of the bulls being marketed. Your Board has moved swiftly to seek, achieve and build on working agreements with semen companies to check and approve bulls made available for pedigree breeders.

The ever-popular Jersey Young Breeders weekend took place in the South West this year. The Society is immensely grateful for the members who opened their farms to enable young enthusiasts of our breed to come together. These events foster knowledge of the Jersey cow, whilst enabling likeminded young persons to meet and possibly forge new friendships.

Maintaining the judging standards and helping aspiring judges to reach their potential continued this year with a Judge workshop held in the north of the country this year. Again, this event would not be able to take place without the support of our members.

Rebecca Hurd, our field officer, has done sterling work to represent our breed at shows and events up and down the country and continues her work engaging with members on their farms encouraging registrations and participation in events. Her empathy and enthusiasm particularly amongst the younger members is a key asset to our Society.

Underpinning this has been our proactive President Lena Lewis who as well as being seen nationally has given freely of her time to represent us both at the World Jersey Cattle Bureau tour in the USA which saw our American sister organisation celebrate its centenary and in the autumn at the European Jersey Forum tour in Albania.

In reading these and previous accounts members will no doubt realise that our Society is treading water: indeed, it continues to see a deficit from net expenditure year on year. The Board is faced with declining pedigree registration income, the income from which used to support a vast raft of activities.

Many of these are still just as important and are continued by the Board and outlined in this report. We are fortunate that our prudent forebears have ensured that the Society can endure like this for many years to come. This is not to say that the Board have been profligate or are in any way blasé about their responsibilities as Guardians of the Society. Just like all good farmers and business leaders we continue to strive to find new and innovative to drive forward and during my tenure as Chairman of the Board I intend to steer a similar course. I welcome comments and constructive criticism.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

CHAIRMAN'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

In concluding, I register my sincere thanks to my fellow directors all of whom devote considerable efforts to the furtherance of the Society and its members. I also record my thanks to our diligent office team Emma, Allison and Tessa for all their hard work and dedication to achieve the effective administration and delivery of the day to day management of the Society's herd book, events, competitions and services.

J C Whitby
Chairman

Dated: 29 June 2019

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

FINANCE DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

This is my first report as finance director of the Jersey Cattle Society of the UK.

Activity

I can report this year we have made a small deficit of £943. This figure, although slightly negative, is in line with the careful decisions made by the directors.

Income & Expenditure

The Society had an improved fourth quarter of the year, helped by a better milk price and our Field service Officer's work on registrations and subscriptions, whilst we managed to reduce purchases by 21.4% through restructuring and sensible budgeting.

Balance Sheet

I am pleased to report that your Society continues to retain net assets of just under one million pounds even though one of our investments managed by the Addington Trust had drop in value as essential maintenance work was completed. Also, as reported under note 24 in these accounts, our accountants have advised a re-evaluation of the way our investments at Addington are considered. These has led them to recommend a prior year adjustment and resetting of the criteria for assessment of the realisable value of the loans held by Addington. Moreover, St James Place who manage our other investments, have not seen these perform as well as 2018 as in previous years. In the light of these unscheduled changes the board intend to conduct a full independent review of all investments in the next financial year. The review will be designed to help verify, as members would expect, that the Society has a long term robust financial footing and that the security of the Society's fund is optimised.

Activity 2018

The board look strategically at the UK Jersey cow, its milk and its products, and how to return the value of the pedigree registration to members. In 2018, we allocated funds to increase show attendance, to the young breeders and to the National show. We continued to support our field service officer Rebecca Hurd, enabling her to be seen by as many members and non-members as possible. On the world stage we supported our President to enable her to attend the World Jersey Cattle Bureau and the European Jersey Forum to represent the members. It is our aim to continue this work in 2019.

Pavilion

I am pleased to report the pavilion now generates a valued income. For now, I am content to maintain the status quo. However, we are keeping a watchful eye on future developments on the Stoneleigh site and may have to come back to the membership for a mandate if things change.

Conclusion

The balance sheet of the Society has altered in line with adjustments described. Sustaining registrations and subscriptions this year we strive, with our Field Service Officer, to increase membership and registrations. We have set targets to ensure we meet our charitable aims through the improvement of existing services and the development of new services or opportunities for members, increased promotion of the Jersey cow and her products.

However, all this does not come without cost. The Board continues to manage and use the Societies resources as prudently as possible whilst continuing to deliver services that it perceives members expect.

.....
S Bland
Finance Director

Dated: 29 June 2019

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2018

The trustees present their report and financial statements for the year ended 31 December 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Jersey Cattle Society's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

The charity's full name is The Jersey Cattle Society of the United Kingdom. The charity also trades under the name Jersey Cattle Society Limited.

Objectives and activities

Policies and objectives

The charitable objectives as set out in the Memorandum are to maintain the purity and to improve the genetic merit of Jersey Cattle bred in the United Kingdom and to generally promote the breed of Jersey cattle and in particular to promote the knowledge and interest in the Jersey cattle breed by members of the Society.

The objectives are achieved as follows:

- compiling a Herd Book of Jersey cattle, acquiring its copyrights, collating information, investigating pedigree, offering assistance in the settlement of any disputes by contesting parties;
- by holding shows of Jersey cattle;
- by encouraging membership of the Society;
- by providing a complete membership service for audit trails for all the Jersey breed;
- by providing breed improvement; and
- by providing an online system for membership services.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Jersey Cattle Society should undertake.

Activities for achieving objectives

The Society continued to support and participate in the running of the following annual events; All Britain photographic competition, Judges Workshop, Jersey Young Breeders Weekend, hosting its own National Show, All Breeds All Britain Calf Show, attending a number of agricultural shows and sales to promote the Jersey cow, its milk, its membership and registrations.

Public benefit

In setting the objectives and planning the activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Volunteers

The Society is very grateful for the work of the volunteers who assist at Society events from time to time.

Achievements and performance

The achievements and performance of the charity are set out in the Chairman's Report.

Financial review

The financial review of the charity is set out in the Finance Director's Report.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2018

Reserves policy

The reserves of the charity are those funds that are freely available to be spent in the furtherance of the Society's objects.

The trustees consider that it is necessary to hold reserves to enable the Society to continue to carry out its charitable activities in a climate of uncertain future income streams and potential unforeseen costs. The trustees have reviewed the current level of reserves and consider them to be adequate.

Free Reserves

	2018	2017
	£	£
Total funds	983,669	1,018,021
Less: Endowment funds	(82,705)	(83,174)
Less: Fixed assets only realisable on disposal	(69,724)	(73,269)
Free reserves	831,240	861,578

The trustees have assessed the major risks to which the Jersey Cattle Society is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

The future of the Society will be on the continued development of the Society's Breed Development Plan to meet industry markets, the promotion of the Jersey Cow as commercial animal and development value added services for the Society's Members, whilst maintaining the breed's purity and integrity,

Structure, governance and management

Constitution

The charity is registered as a charitable company limited by guarantee, it was set up by a Memorandum of Association on 10 July 1883 (as amended 9 September 2009), and registered as a charity on 8 November 1968.

The charity is constituted under a Memorandum of Association dated 10 July 1883 (as amended 9 September 2009) and is a registered charity number 252271.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

J C Whitby (Chairman)

S Bland (Finance Director)

H Cox (Vice Chair)

J Dickinson

M Davis

M Logan

G Parsons

(Appointed 24 April 2018)

The management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

A new trustee was co-opted by the Board: Mr Greg Parsons. After the Annual General Meeting in August 2018, John Whitby became Chairman and Steven Bland became Finance Director.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2018

Organisational structure and decision making

The appointed trustees report directly to the Chairman who is appointed by the trustees to manage the day to day running of the charity.

The entire board meet on a regular basis and, when required, meetings are held by conference call.

Contractors:

The Charity contracts a Field Service Officer to obtain animal registration whilst promoting membership and the Jersey cow.

The Charity contracts a third party provider to manage animal registration, performance testing and record genetic/genomic evaluations of animals either registered or to be registered in the Herd Book.

The Charity contracts a third party to manage and deliver the daily activities of the charity and to deliver specific pieces of work or events as instructed by the Board of Trustees.

The Charity has a programme of training for newly appointed trustees.

The charity is linked to area clubs throughout the UK and with other Jersey Cattle Society's worldwide.

The charity has a programme of training for newly appointed trustees.

The charity is linked to area clubs throughout the UK and with many other Jersey Societies worldwide.

Statement of trustees' responsibilities

The trustees, who are also the directors of The Jersey Cattle Society of the United Kingdom for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Jersey Cattle Society will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Jersey Cattle Society and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Jersey Cattle Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2018

The trustees' report was approved by the Board of Trustees.

J C Whitby (Chairman)

Dated: 29 June 2019

S Bland (Finance Director)

Dated:29 June 2019

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

I report on the financial statements of the Jersey Cattle Society for the year ended 31 December 2018, which are set out on pages 9 to 26.

Respective responsibilities of trustees and examiner

The trustees, who are also the directors of The Jersey Cattle Society of the United Kingdom for the purposes of company law, are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011, the 2011 Act, and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Tim Lerwill, FCA
Old Mill Accountancy LLP

Bishopbrook House
Cathedral Avenue
WELLS
Somerset
BA5 1FD

Dated: 4 June 2019

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted funds 2018 £	Endowment funds 2018 £	Total 2018 £	Total 2017 as restated £
Income from:					
Donations and legacies	3	2,496	-	2,496	1,390
Incoming resources from charitable activities	4	183,825	-	183,825	189,981
Fundraising income	5	16,951	-	16,951	17,062
Investments	6	17,877	-	17,877	17,623
Total income		221,149	-	221,149	226,056
Expenditure on:					
Raising funds	7	10,758	-	10,758	13,954
Charitable activities	8	211,334	-	211,334	228,027
Total resources expended		222,092	-	222,092	241,981
Net gains/(losses) on investments	12	(32,940)	(469)	(33,409)	36,994
Net movement in funds		(33,883)	(469)	(34,352)	21,069
Fund balances at 1 January 2018		934,847	83,174	1,018,021	996,952
Fund balances at 31 December 2018		900,964	82,705	983,669	1,018,021

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	All income funds	
	2018	2017
	£	£
Gross income	221,149	226,056
(Losses)/gains on investments	(32,940)	24,792
	<hr/>	<hr/>
Total income in the reporting period	188,209	250,848
	<hr/>	<hr/>
Total expenditure from income funds	(222,092)	(241,981)
	<hr/>	<hr/>
Net (expenditure)/income for the year	(33,883)	8,867
	<hr/> <hr/>	<hr/> <hr/>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

BALANCE SHEET AS AT 31 DECEMBER 2018

	Notes	2018		2017 as restated	
		£	£	£	£
Fixed assets					
Tangible assets	13		69,724		73,269
Investments	14		834,537		867,946
			<u>904,261</u>		<u>941,215</u>
Current assets					
Stocks	15	2,097		2,652	
Debtors	16	68,456		73,505	
Cash at bank and in hand		76,830		73,137	
			<u>147,383</u>	<u>149,294</u>	
Creditors: amounts falling due within one year	18	(67,975)		(72,488)	
Net current assets			79,408		76,806
Total assets less current liabilities			<u>983,669</u>	<u>1,018,021</u>	
Capital funds					
Endowment funds - general	20		82,705		83,174
Income funds					
Unrestricted funds			900,964		934,847
			<u>983,669</u>	<u>1,018,021</u>	

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2018

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2018. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees on 29 May 2019

J C Whitby (Chairman)
Trustee

S Bland (Finance Director)
Trustee

Company Registration No. 00018573

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Charity information

The Jersey Cattle Society of the United Kingdom is a private company limited by guarantee incorporated in England and Wales. The registered office is Bishopbrook House, Cathedral Avenue, WELLS, Somerset, BA5 1FD.

1.1 Accounting convention

The accounts have been prepared in accordance with the Jersey Cattle Society's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Jersey Cattle Society is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Jersey Cattle Society. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the Jersey Cattle Society has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Jersey Cattle Society.

1.4 Incoming resources

Income is recognised when the Jersey Cattle Society is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Jersey Cattle Society has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Jersey Cattle Society has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Donated services or facilities which comprise donated services are included in income at a valuation which is an estimate of the financial cost borne by the donor where such cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Deferred income represents amounts received for future periods and is related to incoming resources in the period for which it has been received. Income is only deferred when:

- Fees are received in advance of the event to which they date;
- The donor specifies that the grant of donation must only be used in future accounting periods; and
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Interest is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or repayable by the bank.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Fundraising costs are those incurred in seeking voluntary contributions and include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Short-term leasehold property	Term of lease
Office equipment	10%-50% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

All assets costing more than £500 are capitalised.

Silver cups and trophies are maintained in such a state of repair that their estimated residual value is not less than their carrying amount and thus the annual charge for depreciation is £nil.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Jersey Cattle Society has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Jersey Cattle Society's balance sheet when the Jersey Cattle Society becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Jersey Cattle Society's contractual obligations expire or are discharged or cancelled.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the Jersey Cattle Society's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Estimated useful lives of tangible fixed assets

In determining the estimated useful life the Society considers the expected physical wear and tear of the asset that could lead to obsolescence of the asset. Each year the charity reviews the above to establish if there is any change in the expected useful life of tangible assets.

3 Donations and legacies

	2018	2017
	£	£
Donations and gifts	2,496	1,390
	<u> </u>	<u> </u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

4 Incoming resources from charitable activities

	2018	2017
	£	£
Semen sales and commission	-	4,609
Membership services	120,076	118,843
Show/WJCB (sponsorship) income	1,346	1,523
Youth income	2,836	2,937
Publication income	13,250	14,599
Subscriptions	45,634	42,688
Sundry income	683	4,782
	<u>183,825</u>	<u>189,981</u>

5 Fundraising income

	2018	2017
	£	£
Fundraising income	16,951	17,062
	<u>16,951</u>	<u>17,062</u>

6 Investments

	2018	2017
	£	£
Investment properties	11,774	10,990
Interest receivable	6,103	6,633
	<u>17,877</u>	<u>17,623</u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Raising funds

	2018	2017
	£	£
<u>Costs of generating donations</u>		
Promotional costs	3,369	6,276
Jersey House pavilion costs	7,389	7,678
	<u>10,758</u>	<u>13,954</u>

8 Charitable activities

	2018	2017
	£	£
Membership services	54,600	44,665
Field officer	33,819	37,480
Field officer expenses	3,366	6,321
Youth costs	5,207	4,350
Publication	16,357	17,380
Show costs	7,457	6,502
WJCB costs	3,601	3,643
Other costs	583	2,114
	<u>124,990</u>	<u>122,455</u>
Share of support costs (see note 9)	78,492	95,175
Share of governance costs (see note 9)	7,852	10,397
	<u>211,334</u>	<u>228,027</u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Support costs	Support costs	Governance costs	2018	2017	Basis of allocation
	£	£	£	£	
Depreciation	3,545	-	3,545	3,546	
Advertising and promotional	600	-	600	1,248	
Rent	1,200	-	1,200	1,200	
Insurance	3,327	-	3,327	3,555	
Postage, stationery & IT	9,027	-	9,027	12,079	
Telephone & fax	1,527	-	1,527	1,667	
Accountancy	2,900	-	2,900	3,065	
Subcontractors (inc. CEO)	51,896	-	51,896	63,725	
Bank charges	1,189	-	1,189	1,154	
Other support costs	3,281	-	3,281	3,936	
Independent Examiner Fees	-	1,300	1,300	1,300	Governance
Legal & professional fees	-	3,864	3,864	2,125	Governance
Society meetings	-	1,889	1,889	4,236	Governance
Trustee expenses	-	799	799	2,736	Governance
	<u>78,492</u>	<u>7,852</u>	<u>86,344</u>	<u>105,572</u>	
Analysed between					
Charitable activities	<u>78,492</u>	<u>7,852</u>	<u>86,344</u>	<u>105,572</u>	

In addition to the Independent examiner fees shown above, included within support costs are fees payable to the Independent examiner in respect of accountancy and other services of £2,900 (2017:£3,065).

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but they were reimbursed a total of £799 travelling expenses (2017:£2,387).

11 Employees

There were no employees during the year.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

12 Net gains/(losses) on investments

	Unrestricted funds 2018 £	Endowment funds general 2018 £	Total 2018 £	Total 2017 as restated £
Revaluation of investments	(32,940)	(469)	(33,409)	36,994
For the year ended 31 December 2017	<u>24,792</u>	<u>12,202</u>		<u>36,994</u>

13 Tangible fixed assets

	Short-term leasehold property £	Office equipment £	Total £
Cost			
At 1 January 2018	124,377	23,641	148,018
At 31 December 2018	<u>124,377</u>	<u>23,641</u>	<u>148,018</u>
Depreciation and impairment			
At 1 January 2018	73,705	1,044	74,749
Depreciation charged in the year	3,109	436	3,545
At 31 December 2018	<u>76,814</u>	<u>1,480</u>	<u>78,294</u>
Carrying amount			
At 31 December 2018	<u>47,563</u>	<u>22,161</u>	<u>69,724</u>
At 31 December 2017	<u>50,672</u>	<u>22,597</u>	<u>73,269</u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

14 Fixed asset investments

	Listed investments	Unlisted investments	Total
	£	£	£
Cost or valuation			
At 31 December 2018	225,780	642,166	867,946
Valuation changes	(22,070)	(11,339)	(33,409)
	<u>203,710</u>	<u>630,827</u>	<u>834,537</u>
At 31 December 2018	203,710	630,827	834,537
	<u>203,710</u>	<u>630,827</u>	<u>834,537</u>
Carrying amount			
At 31 December 2018	203,710	630,827	834,537
	<u>203,710</u>	<u>630,827</u>	<u>834,537</u>
At 31 December 2017	225,780	642,166	867,946
	<u>225,780</u>	<u>642,166</u>	<u>867,946</u>

Investments individually representing more than 5% total:

	£
St James Corporate Bond Unit Trust	69,194
St James Far East Unit Trust	51,811
St James UK High Income Unit Trust	82,705
Addington Fund	<u>630,827</u>
	<u>834,537</u>

Unlisted investments - Prior Year Adjustment

The trustees' have reviewed the investments and have decided that they are more properly shown as an unlisted investment as the investment is a loan rather than the Society owning the properties in the fund.

It was also deemed that the method of valuation was not reflective of the consideration upon repayment of the loan, and so the value shown in the accounts has been adjusted accordingly.

The comparative in respect of the investment has been amended accordingly.

15 Stocks

	2018	2017
	£	£
Finished goods and goods for resale	2,097	2,652
	<u>2,097</u>	<u>2,652</u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

16 Debtors		2018	2017
Amounts falling due within one year:		£	£
Trade debtors		62,130	65,302
Other debtors		4,124	4,826
Prepayments and accrued income		2,202	3,377
		68,456	73,505
		68,456	73,505
17 Financial instruments		2018	2017
Carrying amount of financial assets		£	£
Debt instruments measured at amortised cost		66,254	70,128
Equity instruments measured at cost less impairment		834,537	867,946
		834,537	867,946
		834,537	867,946
Carrying amount of financial liabilities			
Measured at amortised cost		17,263	21,805
		17,263	21,805
		17,263	21,805
18 Creditors: amounts falling due within one year		2018	2017
	Notes	£	£
Other taxation and social security		11,166	11,139
Deferred income	19	39,546	39,544
Trade creditors		5,382	6,530
Other creditors		-	4,160
Accruals and deferred income		11,881	11,115
		67,975	72,488
		67,975	72,488

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

19 Deferred income

	2018	2017
	£	£
Arising from subscription renewals	39,546	39,544
	<u> </u>	<u> </u>
Current liabilities	39,546	39,544
	<u> </u>	<u> </u>
	<u>39,546</u>	<u>39,544</u>
	<u> </u>	<u> </u>
Movement in the year	2018	2017
	£	£
At 1 January 2018	39,544	39,087
Amount released to income earned from charitable activities	(39,544)	(39,087)
Amount deferred in the year	38,885	(39,544)
	<u> </u>	<u> </u>
At 31 December 2018	39,546	39,544
	<u> </u>	<u> </u>
	<u>39,546</u>	<u>39,544</u>

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

20 Endowment funds

Endowment funds represent assets which must be held permanently by the Jersey Cattle Society. Income arising on the endowment funds can be used in accordance with the objects of the Jersey Cattle Society and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Movement in funds				Balance at 31 December 2018
	Balance at 1 January 2018	Incoming resources	Resources expended	Gains/(Losses)	
	£	£	£	£	£
Permanent endowments					
Avril Caddey	83,174	-	-	(469)	82,705
	<u>83,174</u>	<u>-</u>	<u>-</u>	<u>(469)</u>	<u>82,705</u>
	<u><u>83,174</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(469)</u></u>	<u><u>82,705</u></u>

Prior Year	Movement in funds				Balance at 31 December 2017
	Balance at 1 January 2017	Incoming resources	Resources expended	Gains/(Losses)	
	£	£	£	£	£
Permanent endowments					
Avril Caddey	70,972	-	-	12,202	83,174
	<u>70,972</u>	<u>-</u>	<u>-</u>	<u>12,202</u>	<u>83,174</u>
	<u><u>70,972</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>12,202</u></u>	<u><u>83,174</u></u>

The Avril Caddey Trust Fund - the capital cannot be spent. The income can be used for promotion and youth and to fund an annual lunch for the paid staff (at such time when the Society is a registered employer) and is included within unrestricted funds.

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

21 Analysis of net assets between funds

	Unrestricted funds	Endowment funds	Total
	£	£	£
Fund balances at 31 December 2018 are represented by:			
Tangible assets	69,724	-	69,724
Investments	751,832	82,705	834,537
Current assets/(liabilities)	79,408	-	79,408
	<u>900,964</u>	<u>82,705</u>	<u>983,669</u>

Prior Year	Unrestricted funds	Endowment funds	Total
	£	£	£
Fund balances at 31 December 2017 are represented by:			
Tangible assets	73,269	-	73,269
Investments	784,772	83,174	867,946
Current assets/(liabilities)	76,806	-	76,806
	<u>934,847</u>	<u>83,174</u>	<u>1,018,021</u>

22 Operating lease commitments

At the reporting end date the Jersey Cattle Society had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£	£
Within one year	5,637	5,637
Between two and five years	18,084	20,068
In over five years	43,836	47,489
	<u>67,557</u>	<u>73,194</u>

Amounts recognised in the statement of financial activities as a cost during the period in respect of operating lease arrangements amounted to £5,637 (2017:£5,637).

THE JERSEY CATTLE SOCIETY OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

23 Related party transactions

All trustees are registered members of the Jersey Cattle Society Limited and as such pay a membership subscription. The subscription entitles them to membership services (such as purchase of semen and registering of pedigree cattle). All transactions were made on normal commercial terms.

The trustee Mr M Davis is a director of Kivell's Auctioneers. Kivell's pay the Society a transfer fee for each pedigree animal sold at a Kivell's sale.

24 Prior year adjustment

The trustees' have reviewed investments held and have decided that they are more properly shown as an unlisted investment as the investment is a loan rather than the Society owning the properties in the fund.

It was also deemed that the method of valuation was not reflective of the consideration receivable upon repayment of the loan, and so the value shown in the accounts has been adjusted accordingly.

The comparative figures as at 31 December 2017 for the fund balances have been amended accordingly as follows:

SOFA	As previously stated	Prior year adjustment	As restated
	£	£	£
Net gain/(losses) on investments	44,516	(7,522)	36,994
BALANCE SHEET	As previously stated	Prior year adjustment	As restated
	£	£	£
Investment properties	681,200	(681,200)	-
Investments	225,780	642,166	867,946
Fund balances at 31 December 2017	(1,057,055)	39,034	(1,018,021)
Total	(150,075)	-	(150,075)